

THE COUNCIL OF THE CITY OF NEW YORK

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Report on the Fiscal 2017 Executive Budget

Department of Education

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Executive Budget Summary

- **Expense Budget Overview.** The Department of Education's (DOE or the Department) Fiscal 2017 Executive Budget totals \$23.1 billion. The Fiscal 2017 Executive Budget is \$1.2 billion more than DOE's Fiscal 2016 Adopted Budget of \$21.9 billion. This number does not include DOE's total pension and debt service. Total pension costs for Fiscal 2017 are projected to be \$4 billion and total debt service is \$2.4 billion for a total Fiscal 2017 education-related spending of \$29.5 billion. However, since pension and debt service costs are not included in the DOE's operating budget, when discussing the Department's Executive Budget, we refer to the Department's budget of \$23.1 billion.
 - Approximately \$10.9 billion of DOE's Fiscal 2017 budget is supported with City funds, or 47 percent of the Department's operating budget; \$155.5 million is Other Categorical funding; \$10.2 billion is supported with State funds, or 44 percent of the Department's budget; \$1.7 billion is federal funding, or seven percent of the budget; and \$10.2 million is Intra-City funds.
 - City funds have increased by \$670.5 million when compared to the Fiscal 2016 Adopted Budget; State funds have increased by \$519 million; and federal funds have increased by \$30.4 million.
- **Executive Budget Changes.** Changes in the Department's Executive Budget reflect an increased need for special education programs, adjustments to the Mayor's Equity and Excellence Initiative and increased State aid in the outyears to continue to raise the base level of funding for schools. Additionally, funding has been added in the Executive Budget in areas that are priorities for the Administration, such as Universal Pre-Kindergarten. They include:
 - \$64.5 million for special education programs including Special Education Mandates, Autism Spectrum Disorder, Bilingual Special Education and Academic and Career Essential Skills;
 - \$19.1 million for Equity and Excellence, which includes \$1.7 for Algebra, \$8.6 million for AP for All, \$8.2 million for College Access, \$26,170 for District Charter Collaboration and \$594,153 for Single Shepherd;
 - \$17.6 million for Career and Technical Education Expansion;
 - \$9.1 million for physical education expansion;
 - \$7.3 million to improve and fix SESIS;
 - \$10.3 million for Students in Shelters;
 - \$57.7 million to expand Universal Pre-K;
 - \$113 million in other adjustments; and
 - \$59 million in savings program.

Agency Budget Issue. The Fiscal 2017 Executive Budget fails to include funding to provide universal free lunch for all students, which is something the Council has urged the Administration to support. This is the second school year with universal free lunch in stand-alone middle schools funded by the City Council. In most other schools, DOE charges

students \$1.75 for lunch unless they qualify for free lunch according to the federal income guidelines.

In schools with universal free lunch, student participation increased by at least six percent since the implementation of the program. It is important to note that participation in universal free lunch has not resulted in a loss of Title I funding. In fact, form collection is better in schools with universal free lunch when compared to traditional lunch programs. A report provided to the Council pursuant to a Term and Condition in the Fiscal 2016 Adopted Budget shows that 83.4 percent of students in universal free lunch completed and submitted lunch forms and/or an alternative income form compared to 77.5 percent of students in traditional lunch programs.

Free lunch not only fights hunger, but also may increase academic achievement, and reduces the stigma and bullying associated with free lunch at school. Advocates believe that in many cases qualifying students do not participate in the program because of the stigma associated with receiving free lunch. In addition, they have expressed concern that many undocumented families living in poverty may not complete the school lunch form for fear of repercussion associated with this status. There is also a positive impact on students' educational attainment when they have a healthy meal each day.

In order to ensure that students eat a nutritious meal every day, the Council encourages the Administration to include \$8.75 million in the Fiscal 2017 Adopted Budget to offer free lunch for all students.

DOE Overview

This report presents a review of DOE's Fiscal 2017 Executive Budget. The section below presents an overview of the agency's budget by Unit of Appropriation (U/A) and how it has changed during the course of Fiscal 2016, followed by a review of the significant budget actions introduced in the Fiscal 2017 Executive Budget. Budget response items not included in the Department's Executive Budget are then discussed. Lastly, Appendix 1 reports the changes made to the Fiscal 2016 and Fiscal 2017 Budgets since Adoption of the Fiscal 2016 Budget. For additional information on the Department's budget and its various programs, please refer to the Fiscal 2017 Preliminary Budget Report for the Department of Education at: http://council.nyc.gov/html/budget/fy17_documents.shtml

PS-OTPS						
<i>Dollars in Thousands</i>	2014	2015	2016	Executive Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Personal Services	\$13,064,265	\$13,290,889	\$14,012,781	\$14,441,349	\$14,939,750	\$926,969
Other Than Personal Services	7,021,022	7,458,434	7,896,926	7,931,094	8,133,010	236,084
TOTAL	\$20,085,287	\$20,749,323	\$21,909,707	\$22,372,443	\$23,072,760	\$1,163,053

*The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Executive Budget.

DOE Financial Plan Summary						
<i>Dollars in Thousands</i>	2014	2015	2016	Executive Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016-2017
Budget by Unit of Appropriation						
401 - GE Instr. & Sch Ldrshp - PS	\$5,556,694	\$5,713,488	\$5,844,621	\$6,042,785	\$6,215,716	\$371,095
402 - GE Instr. & Sch Ldrshp - OTPS	675,613	660,052	761,531	769,123	799,434	37,902
403 - SE Instr. & Sch Ldrshp - PS	1,261,228	1,387,735	1,404,535	1,516,916	1,552,538	148,003
404 - SE Instr. & Sch Ldrshp - OTPS	3,176	4,181	3,976	5,350	5,350	1,374
406 - Charter Schools	1,065,338	1,308,880	1,476,588	1,497,898	1,711,375	234,788
407 - Universal Pre-K - PS	0	0	385,508	427,314	427,550	42,042
408 - Universal Pre-K OTPS	0	0	423,371	422,978	435,799	12,428
415 - School Support Orgs. - PS	147,645	231,346	258,501	269,901	280,287	21,787
416 - School Support Orgs. - OTPS	10,477	39,739	27,680	30,362	32,585	4,905
421 - Citywide SE Instr. & Sch Ldrshp - PS	807,030	875,994	956,173	992,362	1,006,906	50,733
422 - Citywide SE Instr. & Sch Ldrshp - OTPS	15,340	20,439	20,979	21,004	22,464	1,485
423 - SE Instructional Support - PS	241,394	252,463	276,852	284,762	309,773	32,921
424 - SE Instructional Support - OTPS	220,686	230,721	230,037	231,909	235,141	5,105
435 - School Facilities - PS	393,546	433,937	445,017	459,496	463,134	18,117
436 - School Facilities - OTPS	398,329	436,292	305,149	365,140	280,774	(24,375)
438 - Pupil Transportation - OTPS	1,098,848	1,143,838	1,146,456	1,162,828	1,131,170	(15,286)
439 - School Food Services - PS	196,304	214,703	211,668	211,717	222,814	11,146
440 - School Food Services - OTPS	215,750	231,615	274,321	271,899	295,108	20,787
442 - School Safety - OTPS	309,676	330,581	335,714	336,074	357,191	21,477
444 - Energy & Leases - OTPS	514,180	468,100	498,066	456,768	477,905	(20,162)
453 - Central Administration - PS	149,017	163,947	174,551	179,279	192,498	17,947
454 - Central Administration - OTPS	181,962	171,357	164,375	174,263	149,448	(14,927)
461 - Fringe Benefits - PS	2,837,784	2,876,580	3,043,660	3,021,550	3,227,834	184,174
470 - SE Pre-K Contracts - OTPS	824,810	844,399	909,862	848,955	854,198	(55,664)
472 - Contract Sch/Carters/Foster Care - OTPS	611,452	641,613	652,496	652,496	677,366	24,870
474 - Non-Public and FIT - OTPS	70,173	65,086	66,691	67,649	64,560	(2,130)
481 - Categorical Programs - PS	1,227,270	1,242,413	1,011,696	1,035,267	1,040,700	29,004
482 - Categorical Programs - OTPS	805,213	1,009,864	599,636	616,397	603,142	3,506
491 - Collective Bargaining	246,354	0	0	0	0	
TOTAL	\$20,085,287	\$20,999,365	\$21,909,709	\$22,372,443	\$23,072,760	\$1,163,052

*The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Executive Budget.

The City's Fiscal 2017 Executive Budget totals \$83.9 billion, \$3.8 billion more than the Fiscal 2016 Adopted Budget of \$80.1 billion. City funds (City tax-levy and non-tax revenues) total \$59.4 billion, an increase of \$2.5 billion when compared to the Fiscal 2016 Adopted Budget amount of \$56.9 billion. For DOE, the Fiscal 2017 Executive Budget totals \$23.1 billion. This represents approximately 27 percent of the City's total budget.

Increases reflected in the Financial Plan Summary above demonstrate growth in General Education and Special Education, as well as increased support for State mandated charter school payments.

- **General Instruction and School Leadership.** As outlined in the above table, the largest growth in the DOE's budget is in U/A 401, General Instruction and School Leadership PS. Funding increased by \$371 million when compared to the Fiscal 2016 Adopted Budget for a total of \$6.2 billion in the Fiscal 2017 Executive Budget. U/A 401 is 26 percent of the DOE's budget. The year over year increase under this U/A is largely due to previously scheduled increases for school budgets and collective bargaining payments.

Since adoption of the Fiscal 2016 Budget, the planned budget for Fiscal 2017 has grown by \$400 million.

- Charter Schools.** The second largest growth is in U/A 406 for Charter Schools. Funding for Charter Schools is projected to total \$1.7 billion in Fiscal 2017, a \$234.8 million increase when compared to the Fiscal 2016 Adopted Budget. Charter school costs are seven percent of the DOE’s budget. Charter schools growth was expected since the Administration did not account for increased costs associated with new charter schools and State changes in the Fiscal 2017 Preliminary Plan. Increased costs include a higher per pupil tuition rate, which is set by the State and normal charter school growth, which includes current schools adding grade levels, as well as the development of new charter schools. The per pupil tuition rate for the upcoming school year will be \$14,027 per general education student and more for special education students. This is an increase of \$250 per student when compared to the 2016-2017 school year. It is expected that 16 new charter schools will open for the upcoming school year, making the total 221 for Fiscal 2017, and 13 more are expected to open in Fiscal 2018.
- Fringe Benefits.** The next level of growth is in U/A 461 Fringe Benefits PS with an increase of \$184.2 million since the Fiscal 2016 Adopted Budget. The total allocation for Fiscal 2017 Fringe Benefits is now \$3.2 billion, or 13 percent of DOE’s budget. Spending on fringe benefits is expected to rise because the DOE plans to increase headcount and also due to collective bargaining cost increases.
- Special Education Instruction and School Leadership.** Another major area of growth is in U/A 403, Special Education Instruction and School Leadership PS with an increase of \$148 million when compared to the Fiscal 2016 Adopted Budget. The total allocation in the Fiscal 2017 Executive Budget is \$1.6 billion, or six percent of DOE’s budget. The expansion of special education is associated with an increase in students who have Individual Education Plans (IEP) and DOE’s effort to keep more special education students in district schools. This funding will support a headcount increase of 1,279 full-time Pedagogical staff for Special Education and also provides for auditory equipment to support the program.

Headcount						
	Actual 2014	Actual 2015	Adopted 2016	Executive Plan		*Difference
				2016	2017	2016 - 2017
Positions						
Full-Time Pedagogical	\$109,901	\$112,272	\$114,168	\$115,397	\$116,140	\$1,972
Full-Time Non-Pedagogical	11,411	11,693	10,813	10,961	11,195	382
TOTAL	\$121,312	\$123,965	\$124,981	\$126,358	\$127,335	\$2,354

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Executive Budget.*

- Headcount Changes.** The Fiscal 2017 Executive Budget supports a total of 140,789 full-time and part-time positions. The Fiscal 2017 Budget includes 127,335 full-time positions, an increase of 2,354 when compared to the Fiscal 2016 Adopted Budget. Pedagogical employees comprise 116,140 of the full-time headcount for Fiscal 2017, an increase of 1,972 when compared to the Fiscal 2016 Adopted Budget. The Fiscal 2017 Executive Budget also funds 857 Pedagogical full-time equivalents (FTEs). Lastly, there are 11,195 Civilian full-time employees allocated for Fiscal 2017, an increase of 382 positions, and 12,597 Civilian FTEs. DOE’s PS budget for Fiscal 2017 is \$14.9 billion,

\$927 million more than the adopted Fiscal 2016 Budget. The OTPS budget is \$8.1 billion, \$236 million more than the Fiscal 2016 Adopted Budget.

Funding Summary			
<i>Dollars in Thousands</i>			
	Adopted	Executive Plan	*Difference
	2016	2017	2016 - 2017
City	\$10,278,171	\$10,948,707	\$670,536
State			
Foundation Aid	\$6,670,257	\$7,104,406	\$434,149
Formula Aid	1,432,901	1,418,049	(14,852)
Building Aid	478,125	564,445	86,320
Categorical Programs	605,966	641,909	35,943
Special Education PreK	524,735	500,932	(23,803)
State Food Programs	12,295	14,359	2,064
Revenue in Other Agencies	(2,500)	(2,500)	0
Subtotal, State	\$9,721,779	\$10,241,600	\$519,821
Federal - Other			
Title I	\$679,101	\$679,101	\$0
Title IIA	108,000	108,000	0
IDEA	269,782	269,782	0
Medicaid	97,000	40,500	(56,500)
School Lunch	300,476	300,476	0
breakfast Program	78,243	105,779	27,536
Education for Homeless Children	1,550	1,550	0
Other	195,477	211,581	16,104
Subtotal, Federal	\$1,729,629	\$1,716,769	(\$12,860)
Intra-City	\$15,234	\$10,226	(\$5,008)
Other Categorical	145,717	155,459	9,742
Subtotal	\$160,951	\$165,685	\$4,734
TOTAL DOE FUNDING	\$21,890,530	\$23,072,761	\$1,182,231

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Executive Budget.*

Below is a summary of key funding changes by source when comparing DOE's Fiscal 2017 Executive Budget to its Fiscal 2016 Adopted Budget.

- **City Tax-Levy Increase.** The DOE's Fiscal 2017 City-funded portion of the budget shows an increase of \$670.5 million when compared to the Fiscal 2016 Adopted Budget for a total of \$10.9 billion in City funding in the Executive Budget. The Fiscal 2017 Preliminary Plan accounted for \$7.8 billion in City funding for Fiscal 2017, making the Executive Plan \$3.1 billion higher than the forecast in January.
- **Revenue.** Total Revenue for the Department in Fiscal 2017 is \$12.1 billion and is comprised of \$10.2 billion from the State, \$1.7 billion from the federal government, \$14.7 million for Federal – CD, \$107 million from private sources, \$55.9 million in miscellaneous revenue and \$10.2 million in Intra-City. The current modified budget for Fiscal 2016 shows a decrease of approximately \$46 million in total revenue, primarily in federal funding.
- **Intra-City Funding.** It is important to note that the DOE has a significant Intra-City expense budget. The total as of the Fiscal 2017 Executive Budget is \$906.8 million. Payments include, but are not limited to \$142 million to the Department of Youth and

Community Development for middle school afterschool programs and \$229 million to the New York Police Department for school safety services. The DOE also receives Intra-City revenue from various sources such as \$9,000 from ACS for fingerprinting costs and \$108,000 from ACS to purchase furniture for EarlyLearn. There is a total of \$10.2 million in Intra-City revenue in the DOE's Fiscal 2017 Executive Budget.

- **State Budget Actions.** The DOE's Fiscal 2017 Executive Budget shows a \$519 million increase in State funds compared to the Fiscal 2016 Adopted Budget. Some of this increase must be applied to mandated programs, the most significant being charter schools. However, the Department has also chosen to use most of its State aid increase to make significant investments in special education and to increase school budgets.
 - **Charter Schools.** Charter schools are funded by the DOE and therefore the DOE budget must account for charter school growth, as well as the per pupil tuition rate that is set by the State. The Fiscal 2017 Preliminary Plan did not account for increased expenses associated with charter schools but it is reflected in the Executive Budget with an increase of \$234.8 million when compared to the Fiscal 2016 Adopted Budget. The total charter school budget is projected to total \$1.7 billion in Fiscal 2017 and is supported largely with State Foundation Aid funding.
 - **Special Education.** The number of students who require special education has been increasing over the years. However, when possible, instead of separating special education students and requiring them to attend a school in District 75, there is an effort to keep students in district schools. Therefore, new funding has been added in the Fiscal 2017 Executive Budget to provide the necessary services for students who have IEPs that require them to be in the least restrictive environment. A total of \$64.6 million in new needs was added in the Fiscal 2017 Executive Budget to meet this need.
 - **School Budget Increase.** An increase in Fair Student Funding (FSF) will be given directly to schools in the upcoming school year in order to raise the FSF base level floor so that all schools are operating with at least 87 percent of their FSF entitlement. Currently, the base amount schools operate with is 82 percent. The Administration has decided to give all Renewal and Community Schools 100 percent of their FSF entitlement. The increase in State Foundation Aid for Fiscal 2017, which was accounted for in a previous financial plan, will provide the DOE with the resources needed to increase school funding levels. If a similar increase in State funding is included in Fiscal 2018, the DOE will raise the base level of funding for all schools to 90 percent with the goal of reaching 100 percent by Fiscal 2021.

Additionally, DOE will increase the FSF weights for English Language Learners (ELL) and Students with Interrupted Formal Education (SIFE); meaning that schools will receive additional funding for each ELL and SIFE student they serve. The ELL is a State mandate, which now requires the DOE to provide additional services to ELL students for two years after they exit the ELL program, and the City has chosen to increase funding for SIFE students.

New in the Executive Budget

The DOE's Fiscal 2017 Executive Budget includes support for the Administration's priorities, adds new programs, supports State mandated costs and expands special education programs. In total, the Executive Plan adds \$295 million in new needs and reduces the budget by \$113 million in other adjustments for a total budget of \$23.1 billion for Fiscal 2017. Overall headcount has increased by 2,354 positions when compared to the Fiscal 2016 Adopted Budget, of which 1,615 positions were added in the Executive Budget. A majority of the headcount increase in the Executive Budget is for special education with an increase of 1,202 in Fiscal 2017 followed by UPK with an increase of 323. For a complete list of all changes since the Fiscal 2016 Adopted Budget see Appendix 1.

The following are major financial plan actions for Fiscal 2017 included in the Executive Plan:

- **Career and Technical Education (CTE).** The Fiscal 2017 Executive Plan adds \$17.6 million to create 40 new CTE programs, including five new High School to Associates Degree programs. Additionally, headcount increases with a total of 36 new positions in Fiscal 2017. CTE is expected to continue to increase in the outyears with \$32.1 million allocated for Fiscal 2018 and \$37.1 for Fiscal 2019.
- **Physical Education and Wellness.** Funding has increased in the Fiscal 2017 Executive Budget in order to bring all elementary schools into compliance with State physical education standards by Fiscal 2019. A total of \$9.1 million was added for Fiscal 2017 with a headcount increase of 61 positions. By Fiscal 2018 funding is expected to increase to \$30.6 million and \$39.8 in Fiscal 2019. Funding will support the increased Physical Education and Wellness staff and Move to Improve training programs.
- **Specialized High Schools Diversity Initiative.** There are nine Specialized High Schools in New York City that serve academically and artistically gifted students. Admissions are based solely on a student's score on the Specialized High Schools Admissions Test (SHSAT). LaGuardia High School is the only exception with acceptance based on an audition as well as a review of a student's academic records¹. In order to increase diversity in New York City Specialized High Schools, the DOE is expanding programs for outreach, test preparation and after-school academic supports. The following new needs are included in the Fiscal 2017 Executive Budget:
 - **Specialized High School Admissions Test (SHSAT) Outreach.** According to the Report on Demographic Data in New York City Public Schools provided as required by Local Law 59, top-performing black and Hispanic students are less likely to register for SHSAT than their white and Asian peers. In order to increase outreach and engage high-performing, minority students \$828,537 has been added for Fiscal 2017, decreasing to \$612,930 in Fiscal 2018 and in the outyears to reach under-served students.
 - **SHSAT School Day.** In order to fund additional testing days for Specialized High Schools, \$791,980 was added for Fiscal 2017 decreasing to \$653,958 in Fiscal 2018.

¹ New York City Department of Education, *Specialized High Schools*.
<http://schools.nyc.gov/ChoicesEnrollment/High/specialized/default.htm>

- **Expand DREAM Program.** The DREAM program is a 22-month extracurricular program to help prepare high-performing, low-income students for the SHSAT test. One time funding of \$50,637 was added for Fiscal 2017 in order to expand this program.
- **SHSAT Preparation.** \$50,000 was added in the Fiscal 2017 Executive Budget to expand test preparation. This funding increases to \$300,000 in Fiscal 2018 and again in Fiscal 2019 reaching \$500,000.
- **Discovery Program.** The Discovery Program gives disadvantaged students with demonstrated high potential the opportunity to gain admissions to a Specialized High School. Students are certified as disadvantaged if they meet Title 1 eligibility criteria, receive assistance from HRA, are a foster child, or are new to the country and have a non-English home language. In the Fiscal 2017 Executive Budget \$74,962 was added, increasing to \$143,086 in Fiscal 2018.
- **Students in Shelters.** In order to better support the needs of homeless students, the DOE has committed \$10.3 million for Fiscal 2017 to provide a number of services in shelters with the highest concentrations of students. Funds will be used to place attendance teachers in certain shelters to target chronic absenteeism, to provide literacy support through after-school tutoring in shelters and to add social workers in schools to provide homeless students with social-emotional, health and mental health services. The Fiscal 2017 Executive Budget increases headcount by 43 for this program to hire social workers for schools with at least 50 homeless students. Funding has been budgeted only for Fiscal 2017.
- **Summer in the City.** The Fiscal 2017 Executive Plan adds \$21 million and increases headcount by seven positions for Summer in the City, which is a new approach to summer learning. Summer programming has been expanded to include mandated and non-mandated students and it is expected that 150,000 students will attend this summer in all five boroughs. Math, literacy and STEM will be offered, as well as visits to cultural institutions. This funding has been baselined and will continue in the outyears.
- **Universal Pre-Kindergarten.** In order to create additional seats, \$57.7 million was added to the Fiscal 2017 Executive Budget for the continued expansion of Universal Pre-Kindergarten. Additionally, there is a headcount increase of 323 positions.
- **Special Education.** In order to increase support and programming for Special Education students the following new needs have been included in the Fiscal 2017 Executive Plan:
 - **Academic Career Essential Skills (ACES) Program.** The Fiscal 2017 Executive Plan includes \$4.9 million in State funding and 71 positions to expand ACES. ACES serves students with intellectual disabilities and helps them develop independent living and work skills². Funding for this program is expected to increase to \$9.8 million in Fiscal 2018, \$14.7 million in Fiscal 2019 and continues to increase in the outyears.
 - **Autism Spectrum Disorder (ASD) Program.** The Fiscal 2017 Executive Plan includes \$13.5 million in State funding and 131 positions to expand the ASD

² New York City Department of Education, *Specialized Programs*.

<http://schools.nyc.gov/Academics/SpecialEducation/enrolling/specializedprograms/default.htm>

program in order to comply with Individualized Education Program (IEP) mandates. This program is designed to help students strengthen interpersonal skills and succeed academically.³ ASD is expected to increase with \$27 million projected for Fiscal 2018 and growing in the outyears.

- **Bilingual Special Education (BSE) Program.** The Fiscal 2017 Executive Plan includes \$8.4 million in State funding and 101 positions to expand the BSE program. BSE programs provide English Language Learners (ELLs) with IEP instruction in their home language, as well as in English.⁴ BSE is expected to increase to \$16.8 million next fiscal year and continues to grow in the outyears.
- **Special Education Hiring.** The Fiscal 2017 Executive Plan includes \$37.8 million to hire additional special education teachers and paraprofessionals. A headcount increase of 899 was included for Fiscal 2017. Funding decreases in the outyears with \$29.1 million allocated for Fiscal 2018 and \$11.2 million in Fiscal 2019.
- **Medicaid Adjustment.** The Executive Budget reduces the Medicaid revenue DOE expects to receive in Fiscal 2016 and Fiscal 2017 by \$79.5 million and \$56.5 million respectively. The DOE was not able to claim this amount so it was replaced with City funds in the budget.
- **Citywide Savings Program.** Along with the Fiscal 2017 Executive Plan, the Office of Management and Budget (OMB) released a Citywide Savings Program that outlines plans to reduce City spending by \$589 million in Fiscal 2016 and \$495.5 million in Fiscal 2017. To develop the program, OMB asked all agencies to identify efficiencies, alternative funding sources and programmatic changes that would yield budgetary savings without reducing service levels. DOE has proposed savings totaling \$59 million in the Fiscal 2017 Executive Budget. DOE's savings plan includes:
 - **Re-estimates of E-rate and Intel Settlement** - \$38 million in Fiscal 2017;
 - **OTPS Savings** - \$6.1 million in Fiscal 2017;
 - **Savings in Agency Vacancies** - \$8.4 million in Fiscal 2017 by eliminating 13 Pedagogical and 84 Civilian Central Administration vacancies; and
 - **Central Per Session Savings** - \$6.5 million in Fiscal 2017 by reducing the per session rate for centrally managed programs.

DOE Budget Issues

Preliminary Budget Response

The Council's response to the Mayor's Fiscal 2016 Preliminary Budget included several recommendations for the Department of Education. The recommendations called on the Administration to support and strengthen Career and Technical Education Programs, eliminate school lunch fees (\$8.75 million), to increase the number of Committee on Special Education Teams (\$14 million), to increase funding for girls' sports (\$220,000), to recruit more bilingual teachers (\$265,000) and to support the Middle School Quality Initiative (\$5 million). Of the six recommendations, additional funding was only included for Career and Technical Education Programs in the Fiscal 2017 Executive Budget.

³ Id.

⁴ Id.

- **Support and Strengthen Career and Technical Education Programs.** Career and Technical Education (CTE) Programs are currently offered in 50 high schools throughout New York City. Schools with CTE Programs integrate academic study with work experience in order to better prepare students for the workforce. All students in CTE schools participate in work-based learning, exploring a range of career paths, as well as complete traditional high school graduation requirements. Current CTE programs are offered in a range of fields from aviation technology and culinary arts to emergency management and multimedia production. CTE is delivered in two ways, either at designated CTE high schools or within high schools.

The Fiscal 2017 Executive Budget adds \$17.6 million to create 40 new CTE programs, including five new High School to Associates Degree programs. Additionally, support has been added at Central Administration to improve oversight and ensure effectiveness of new and existing CTE programs.

Appendix 1: DOE Fiscal 2017 Budget Actions since Fiscal 2016 Adoption

<i>Dollars in Thousands</i>	FY 2016			FY 2017		
	City	Non-City	Total	City	Non-City	Total
DOE Budget as of the Adopted 2016 Budget	\$10,278,171	\$11,631,537	\$21,909,708	\$10,756,867	\$11,955,256	\$22,712,123
New Needs Preliminary Budget						
6th Period Coverage	\$0	\$0	\$0	\$0	\$1,870	\$1,870
ADA Compliance	473	0	473	1,452	0	1,452
Algebra for All	800	0	800	20,751	0	20,751
AP for All	1,298	0	1,298	12,554	0	12,554
Assistive Technology	1,257	0	1,257	1,257	0	1,257
Attorneys - OSI	646	0	646	654	0	654
ATU Settlement	9,070	0	9,070	0	0	0
Boiler Regulation Staffing	165	0	165	298	0	298
Chancellor's Parent Conferences	108	0	108	109	0	109
College Visits and Access	761	0	761	8,786	0	8,786
Communications	1,339	0	1,339	1,341	0	1,341
Data Tracking & Sharing for Renewal Schools	2,492	0	2,492	378	0	378
DIIT Identity Management	422	0	422	422	0	422
District-Charter Collaboration	974	0	974	2,974	0	2,974
Division of Contracts Additional Need	2,000	0	2,000	2,500	0	2,500
Doctors in Renewal Schools	798	0	798	1,084	0	1,084
Enterprise Messaging	397	0	397	360	0	360
Facilitates Work for Cafeteria Kitchens	1,206	0	1,206	3,217	0	3,217
Fair Student Funding	0	0	0	0	158,739	158,739
Family English Initiative	37	0	37	0	0	0
Fuel Tank Compliance	71	0	71	127	0	127
Legionella Compliance	454	0	454	898	0	898
Mental Health Services for 100 High Needs High Schools	0	0	0	6,200	0	6,200
Mental Health Trainings	4	0	4	80	0	80
Navman Expansion	1,426	0	1,426	2,058	0	2,058
Operations Support	765	0	765	3,445	0	3,445
Parent Coordinator PD	135	0	135	135	0	135
Renewal Professional Development	1,565	0	1,565	1,573	0	1,573
Restorative Practices for D18 & Warning Card Schools	330	0	330	862	0	862
Restorative Practices Internal Capacity Building	0	0	0	577	0	577
Safe & Supportive Opportunity Program Expanded SEMS	0	0	0	5,388	0	5,388
SEMS	1,500	0	1,500	1,750	0	1,750
Single Shepherd	500	0	500	15,190	0	15,190
Social Emotional Learning for UPK	0	0	0	8,110	0	8,110
Specialized HS Testing	68	0	68	70	0	70
Speech Clinic	500	0	500	500	0	500
TEMCO & ABM Settlement	26,306	0	26,306	0	0	0
Therapeutic Crisis Intervention for Schools	0	0	0	88	0	88
Think Kids - School Safety Agent Training	71	0	71	82	0	82
Town Halls	45	0	45	38	0	38
Transition Coordination Centers (TCC)	4,445	0	4,445	5,582	0	5,582
Translation & Interpretation	2,261	0	2,261	2,261	0	2,261
Transportation Coordinator for Students in Temporary Housing	60	0	60	84	0	84
Universal Library	1,375	0	1,375	16,404	0	16,404
UPK Sites - Custodial Services	1,553	0	1,553	1,553	0	1,553
UPK Sites - Nurses	534	0	534	558	0	558
YMI Cap Adjustment	0	0	0	630	0	630
Subtotal, New Needs	\$68,213	\$0	\$68,213	\$132,380	\$160,609	\$292,989

<i>Dollars in Thousands</i>	FY 2016			FY 2017		
	City	Non-City	Total	City	Non-City	Total
Other Adjustments						
City Council Member Items Reallocation	(\$19)		(\$19)	\$0	\$0	\$0
Collective Bargaining (IC), Maintenance Workers L237	6		6	7	0	7
Demand Response		154	154	0	0	0
Efficiency Savings	0	0	0	(5,000)	0	(5,000)
FEMA Hazard Mitigation Project	250	750	1,000	0	0	0
Forecast Re-estimates	(26,190)	(34,717)	(60,907)	(32,821)	(43,507)	(76,328)
FR 6622-686 to 40X	0	9	9	0	0	0
FY16 Furniture Purchase DOE	0	108	108	0	0	0
Maintenance Workers - L237 Settlement	35	0	35	41	0	41
Non-efficiency Savings	(50,052)	50,052	0	(45,000)	0	(45,000)
NYC Service Initiative	15	0	15	0	0	0
plaNyC ExCel Program - FIT	0	519	519	0	0	0
RCM Projects - DOE	0	8,795	8,795	0	0	0
Roofers - L237 Settlement	131		131	149	0	149
School Facilities	0	18,460	18,460	0	0	0
UPK Revenue Re-estimates	0	2,906	2,906	0	0	0
Subtotal, Other Adjustments	(\$75,824)	\$47,036	(\$28,788)	(\$82,624)	(\$43,507)	(\$126,131)
TOTAL, All Changes	(\$7,611)	\$47,036	\$39,425	\$49,756	\$117,102	\$166,858
November Adjustments	\$1,874	\$21,495	\$23,369	\$2,202	\$0	\$2,202
DOE Budget as of the Preliminary 2017 Budget	\$10,272,434	\$11,700,068	\$21,972,502	\$10,808,825	\$12,072,358	\$22,881,183
New Needs Executive Budget						
ACES Program	\$0	\$0	\$0	\$0	\$4,914	\$4,914
Algebra	0	0	0	1,693	0	1,693
AP for All	0	0	0	8,587	0	8,587
ASD Program	0	0	0	0	13,483	13,483
Business Technology Strategy Group	0	0	0	4,020	0	4,020
Career and Technical Education	0	0	0	17,628	0	17,628
Charter Rental Assistance	0	0	0	0	2,083	2,083
Charter Tuition	0	0	0	0	32,420	32,420
College Access	0	0	0	8,206	0	8,206
Data Tracking Initiative Realignment	(2,425)	0	(2,425)	2,425	0	2,425
Discovery Program	0	0	0	75	0	75
District Charter	0	0	0	26	0	26
Expand BSE Program	0	0	0	0	8,374	8,374
Expand DREAM Program	114	0	114	113	750	863
Fair Student Funding	0	0	0	0	0	0
Family Outreach	0	0	0	1,072	0	1,072
Independent Compliance Monitor for E-Rate Final Compliance Plan	400	0	400	1,600	0	1,600
Leased Sites	10,383	0	10,383	10,116	0	10,116
Local 1181	5,257	0	5,257	5,849	0	5,849
Medicaid Budget Adjustment	79,500	(79,500)	0	56,500	(56,500)	0
Mental Health Roadmap	0	0	0	1,093	0	1,093
Physical Education & Wellness	0	0	0	9,081	0	9,081
SAPIS	0	0	0	2,000	2,000	4,000
SCI Investigators	0	0	0	263	0	263
SEGIS Upgrades	0	0	0	7,271	0	7,271
SHSAT Prep	0	0	0	0	50	50
SHSAT School Day	34	0	34	142	650	792
Single Shepherd	0	0	0	594	0	594
Special Education Hiring	0	59,442	59,442	0	37,787	37,787
Specialized Equipment	0	0	0	0	1,460	1,460
Specialized High School Admissions Test (SHSAT) Outreach	59	0	59	479	350	829
SSA Meal Relief Fringe	0	0	0	6,017	0	6,017

<i>Dollars in Thousands</i>	FY 2016			FY 2017		
	City	Non-City	Total	City	Non-City	Total
SSA Meal Relief Positions	\$0	\$0	\$0	\$13,492	\$0	\$13,492
Students in Shelters	0	0	0	10,321	0	10,321
Summer in the City	0	0	0	21,000	0	21,000
Universal Pre-K	(0)	0	(0)	37,096	20,606	57,702
Subtotal, New Needs	\$93,321	-\$20,058	\$73,264	\$226,758	\$68,427	\$295,185
Other Adjustments						
BERS Administrative Budget	\$0	\$1,353	\$1,353	\$0	\$1,353	\$1,353
CB CSA Restructure Payment for FY16	34,438	0	34,438	0	0	0
CB Custodians Restructure Payments for FY16	16,531	0	16,531	0	0	0
CB UFT Restructured Payment for FY16	345,657	0	345,657	0	0	0
Central Per Session Savings	0	0	0	(6,500)	0	(6,500)
DOE School Safety Officers L237	79	0	79	120	0	120
Funding Adjustment	0	(40,000)	(40,000)	0	(40,000)	(40,000)
Health Benefits for 32BJ/L91	2,676	0	2,676	2,676	0	2,676
Heat, Light and Power Adjustment	(21,185)	(23,185)	(44,370)	(9,510)	(11,510)	(21,020)
Heating Fuel	(30,092)	0	(30,092)	(20,643)	0	(20,643)
Locksmiths L1087	9	0	9	11	0	11
NYC Service: GoPass	0	0	0	300	0	300
NYC Service: Service in Schools	0	0	0	200	0	200
NYC Service: Youth Leadership Councils	0	0	0	100	0	100
OSA CB Adjustment	21	0	21	26	0	26
OSA CBA Increase	558	0	558	758	0	758
OTPS Savings	0	0	0	(6,100)	0	(6,100)
Painters L1969	55	0	55	80	0	80
Plasterers	96	0	96	108	0	108
Radio Repair Mechanics - L1087	131	0	131	175	0	175
Revenue Adjustment	0	25,558	25,558	0	5,479	5,479
Savings	(3,800)	3,800	0	(38,000)	0	(38,000)
Savings on Agency Vacancies	0	0	0	(8,400)	0	(8,400)
School Aid Adjustment	0	(25,558)	(25,558)	0	(5,479)	(5,479)
School Safety Agent Overtime	0	2,030	2,030	0	2,030	2,030
SEWB Welfare Adjustment	0	0	0	0	20,975	20,975
Summer in the City- Renewal Schools	0	0	0	0	(3,649)	(3,649)
Universal Pre K Spending Alignment	0	0	0	0	(5,497)	(5,497)
Wage Adjustment	7,861	0	7,861	7,861	0	7,861
YMI CAP	0	0	0	0	0	0
Subtotal, Other Adjustments	\$353,034	(\$56,002)	\$297,032	(\$76,737)	(\$36,298)	(\$113,035)
TOTAL, All Changes	\$446,355	(\$76,060)	\$370,296	\$150,021	\$32,129	\$182,151
DOE Budget as of the Executive 2017 Budget	\$10,718,623	\$11,653,820	\$22,372,443	\$10,948,707	\$12,124,055	\$23,072,762

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